

PacifiCorp's coal proposal bites the dust at the PUC

Energy - Regulators reject the company's argument it needs more facilities, relying on an analysis disputing it

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Oregon utility regulators on Tuesday turned down PacifiCorp's request to seek bids for construction of two conventional coal-fired power plants in Wyoming and Utah.

In a proposal filed last summer, PacifiCorp maintained it needed the additional resources by 2014 to meet growing demand in its six-state territory. But customer groups argued that the plants weren't needed and, if built, would harm the environment with carbon dioxide emissions, considered key contributors to global warming.

The Oregon Public Utility Commission based its rejection primarily on an independent analysis of how much electricity PacifiCorp's customers would need in six to eight years.

PacifiCorp "has significantly overestimated its resource needs," the PUC order concluded.

The PUC recommended that PacifiCorp emphasize conservation, acquisition of renewable energy and electricity purchases on wholesale markets. The alternate strategy would allow PacifiCorp to delay a commitment to coal until a cleaner technology, known as integrated gasification, could be developed and commercialized, the PUC said.

PacifiCorp has not yet decided whether it will appeal the order or submit a new plan.

Before PacifiCorp begins soliciting bids for any new power plants, it must secure the approval of regulators in each of the states where it operates. The costs to build and operate any new resources would be apportioned among all PacifiCorp customers through rate increases. The utility currently serves 1.6 million customers, primarily in Utah and Oregon.

PacifiCorp is owned by Iowa-based MidAmerican Energy Holdings Co.

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